

## Old Age, Disability, Death

First law: 1922 (Law on pensions for servicemen, public servants and office employees).

Current law: 1990.

Type of program: Social insurance and social assistance systems.

**Exchange rate:** U.S.\$1.00 equals 0.54 Lats.

### Coverage

Wage and salary earners, entrepreneurs, rural workers.

Persons not covered by state social insurance are covered by social assistance pensions.

### Source of Funds

**Insured person:** 1% of earnings.

**Employer:** 37% of payroll (can vary from 18.5-70%, depending on branch of industry, type of production or profession of worker).

**Government:** State budget resources.

Above contributions also finance unemployment, sickness and maternity benefits, as well as benefits for work injuries and occupational diseases.

### Qualifying Conditions

**Old-age pension:** 60 years (men) or 55 years (women); 25 (men) or 20 (women) years of contributions. More favorable terms apply to work in hazardous or arduous working conditions, as well as for permanently disabled persons, mothers with many children and those with children who are disabled from childhood, dwarfs and blind persons.

**Disability pension:** Awarded at onset of disability. Partial disability: minimum period of contributions according to age.

**Survivor pension:** Dependent family members who are children or unfit for work are eligible. Deceased breadwinner must have completed the period of contributions necessary to receive a disability pension.

### Old-Age Benefits

**Old-age pension:** Consists of a basic pension at the rate of social assistance old-age pension plus a supplementary pension.

The supplementary pension is granted at the rate of 55% of the average monthly earnings, calculated on the basis of:

A any consecutive 5-year period (selected by the pensioner) during the last 15 years of work before pension application, including interruptions of employment, or

B any 10 consecutive years during the person's working life.

For each full year of work in excess of the qualifying period for an old-age pension the pension is increased by 2% of earnings. Pension may not exceed 80% of earnings with the exception of pensions for persons who are disabled or have suffered unjustifiable repression.

### Permanent Disability Benefits

**Disability pension:** Consists of a basic pension for the appropriate disability group at the rate of the corresponding social assistance

pension plus a supplementary pension. The supplementary pension is granted at the following rates: for totally disabled, 50% of earnings (5% extra for constant attendance).

Partial disability, 40% of earnings.

Supplements for dependents and for care and treatment.

### Survivor Benefits

**Survivor pension:** Consists of a basic pension, equal to the social assistance pension, and a supplementary pension which is calculated at the rate of 40% of the deceased person's earnings for each dependent member of the family who is incapable of working. The supplementary pension cannot exceed the average earnings of the deceased.

### Administrative Organization

Ministry of Welfare and Department of Social Insurance, general supervision. The system is managed by local (district) boards of social insurance.

## Sickness and Maternity

First law: 1924.

Current law: 1984 (Social insurance benefits).

Type of program: Social insurance (cash benefits) and universal program (medical care).

### Coverage

**Sickness benefit:** All wage-earners and self-employed persons who pay social security contributions.

**Medical benefit:** All permanent residents.

### Source of Funds

**Insured person:** See pension contributions.

**Employer:** As above.

**Government:** As above, plus financing of medical care.

### Qualifying conditions

**Sickness benefits and medical care:** No minimum qualifying period for receipt of minimum benefits.

### Sickness and Maternity Benefits

**Sickness benefit:** 60% of earnings if less than 5 years continuous service; 80% for 5 to 8 years; 100% for length of service of 8 years or more. The benefit is paid from the first day of incapacity for work until the person recovers or is declared permanently disabled.

**Maternity benefit:** 100% of previous salary. Paid for 8 weeks before and for 8 weeks after confinement (in special cases paid leave can be extended to 10 weeks before and 10 weeks after).

### Administrative Organization

Ministry of Welfare, general supervision.

Department of Social Insurance and regional institutions, award and payment of cash benefits.

Department of Health, management of medical care.

## Work Injury

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First law: 1927.

Current laws: 1972, 1992, 1993.

Type of program: Social insurance.

### Coverage

Wage earners, students engaged in practical work, artisans, liberal professions.

### Source of Funds

**Insured person:** See pension contributions, above.

**Employer:** Same.

**Government:** Financing of medical care.

### Qualifying Conditions

**Work-injury benefits:** No minimum qualifying period.

### Temporary Disability Benefits

**Temporary disability benefit:** Same as for ordinary illness.

Employer, if at fault, must make an additional payment which with the benefit will equal the claimant's average monthly earnings, calculated on the basis of earnings for the 2 months preceding the injury. Payment is made from the first day of the disability until the person recovers or is declared permanently disabled.

### Permanent Disability Benefits

**Permanent disability pension:** See disability pensions, above.

Where the employer is at fault and the disability is 100%, additional payments are made by the employer up to the claimant's average monthly earnings calculated on the basis of the 2 months preceding the injury or the determination of an occupational disease. For partial disability the additional payment is in relation to the degree of the disability. A disability pension is paid until return to normal health or death. Supplementary payments for total disability where constant care is required.

### Workers' Medical Benefits

**Medical benefits:** Same as for ordinary illness.

### Survivor Benefits

**Survivor pension:** See Survivor pension above. Where the employer is at fault, dependents of the deceased who are entitled to a survivor pension receive an additional payment up to the deceased's average monthly earnings, calculated on the basis of the 2 months preceding the accident. Pensions and additional payments are paid from the day of death.

### Administrative Organization

Ministry of Welfare, management of the program, general supervision, and drafts of laws and regulations. Regional social insurance administrations, organization and payment of benefits.

Current law: 1991.

Type of program: Social insurance.

### Coverage

Unemployed permanent residents of Latvia of working age who are seeking employment.

### Source of Funds

**Insured person:** See pension contributions, above.

**Employer:** Same.

**Government:** Same.

### Qualifying Conditions

**Unemployment benefit:** Registration at state employment office and income lower than the minimum wage.

### Unemployment benefits

**Unemployment benefits:** 90% of minimum wage if during the previous 12 months social security contributions were paid for at least 6 months, 70% of minimum wage if contributions were not paid and the unemployed person falls into the following categories: has completed general schooling or education in a specialized, vocational or higher educational institution, or has been released from state custody or is no longer under state care.

### Administrative Organization

Ministry of Welfare, general supervision. State employment offices, placement, training and retraining of unemployed persons.

## Family Allowances

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First law: 1990.

Current law: 1993.

Type of program: Universal program.

### Coverage

Permanent residents with at least one child.

### Source of Funds

**Insured person:** None.

**Employer:** None.

**Government:** Total cost.

### Qualifying Conditions

**Family allowances:** Child under 15 years (no age limit if student at secondary school).

### Family Allowance Benefits

**Family allowances:** 3.75 Lats monthly for a child under 8 years of age. 4.5 Lats monthly for a child over 8 years of age.

### Administrative Organization

Ministry of Welfare, general supervision. Department of Social Insurance and local institutions, award and payment of allowance.

## Unemployment

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First law: 1991.

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